As the War went on, Government control and direction were slowly extended. Capital suffered a certain measure of conscription through the Excess Profits Duties and the control of profits in establishments making munitions. Industry experienced a direct overruling, through the conversion of many workshops into controlled establishments and the setting up of National Factories. Railways and shipping, the restriction and licensing of imports, and transport gradually passed more and more under Government control. Labour was in some measure placed under compulsion by the setting up of "reserved occupations," the badging of men engaged on necessary Government work, restrictions on transfer from one establishment to another, and the powers held by the Government under the Military Service Acts of taking men for the Army if they were not doing work of sufficient national importance at home. But some of the most important steps were taken only with great difficulty against the tenacious opposition or the immutable habitude of the vested interests of capital and labour. There was no lack of patriotism. But there were endless prejudices, traditions, jealousies and susceptibilities that impeded its quick and full action.

As regards the control of our manpower, our difficulty throughout the War with the representatives of labour centred round the suspicion of

Compulsion profiteering by the proprietors of works inaccessible *to industry* engaged on Government contracts, so that the workers in them had not the same feeling of direct and whole-hearted national service that they developed in the Army or Navy. To conscript men for industry seemed to the workers